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Staffing | Professionals | Search & Selection | HR Solutions | Inhouse Services

4th quarter and annual results 2013

a gradual recovery

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Randstad Holding nv
February 20, 2014

disclaimer & definitions

Certain statements in this document concern prognoses about the future financial condition, risks, investment plans and the results of operations of Randstad Holding and its operating companies as well as certain plans and objectives. Obviously, such prognoses involve risks and a degree of uncertainty since they concern future events and depend on circumstances that will apply then. Many factors may contribute to the actual results and developments differing from the prognoses made in this document. These factors include, but are not limited to, general economic conditions, a shortage on the job market, changes in the demand for (flexible) personnel, changes in legislation (particularly in relation to employment, staffing and tax laws), the role of industry regulators, future currency and interest fluctuations, our ability to identify relevant risks and mitigate their impact, the availability of credit on financially acceptable terms, the successful completion of company acquisitions and their subsequent integration, successful disposals of companies and the rate of technological developments. These prognoses therefore apply only on the date on which this document was compiled. Quarterly figures are unaudited.

EBITA: operating profit before amortization and impairment acquisition-related intangible assets and goodwill, badwill, integration costs and one-offs.

organic growth is measured excluding the impact of currency effects, acquisitions, disposals and reclassifications.

diluted EPS is measured before amortization and impairment acquisition-related intangible assets and goodwill, badwill, integration costs and one-offs.

agenda

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- performance
- financial results & outlook
- Q&A
- appendices

performance

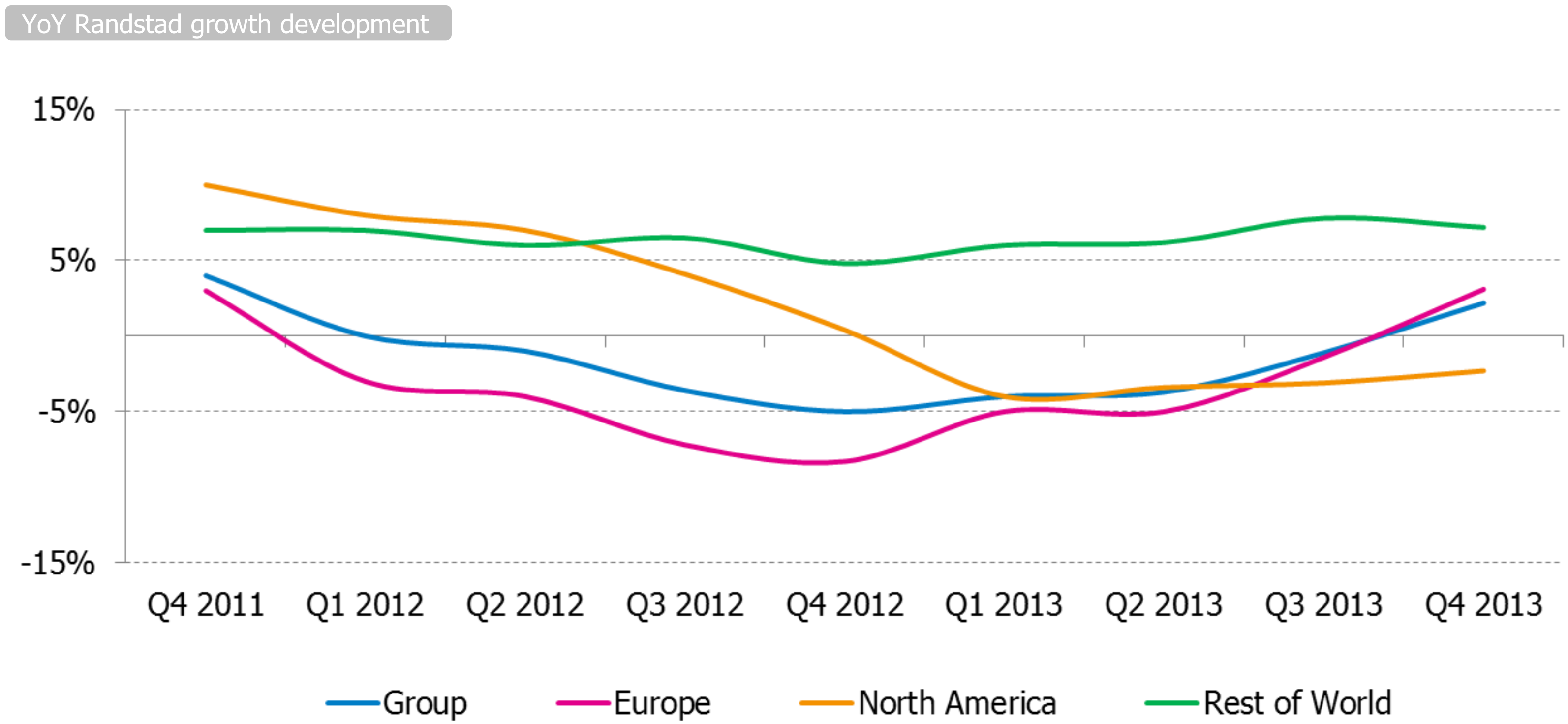
a gradual recovery

€ million	Q4 2013	Q4 2012	% organic	FY 2013	FY 2012
revenue	4,278	4,234	*+2%*	16,568	17,087
gross profit	785	772	*+4%*	3,012	3,102
gross margin	*18.4%*	*18.2%*		*18.2%*	*18.2%*
operating expenses*	628	616	*+4%*	2,433	2,539
opex as % of revenue	*14.7%*	*14.5%*		*14.7%*	*14.9%*
EBITA*	**157**	**156**	***+3%***	**579**	563
*EBITA margin**	*3.7%*	*3.7%*		*3.5%*	*3.3%*

- organic growth/wd up 2.2% in Q4, improving trends in Europe
  - strong negative FX impact of 3.3% (€ 142M)
  - USG consolidation added 2%
- gross margin up by 20 bps YoY:
  - CICE subsidies in France
  - continued gross margin expansion in North America
  - higher costs stemming from new CLA implementation in Germany
- operating expenses* up by € 16M sequentially and up by € 12M YoY
  - additional marketing, bonus costs and Dutch crisis tax
- EBITA* margin stable at 3.7%

* Before integration costs, restructuring costs & one-offs.

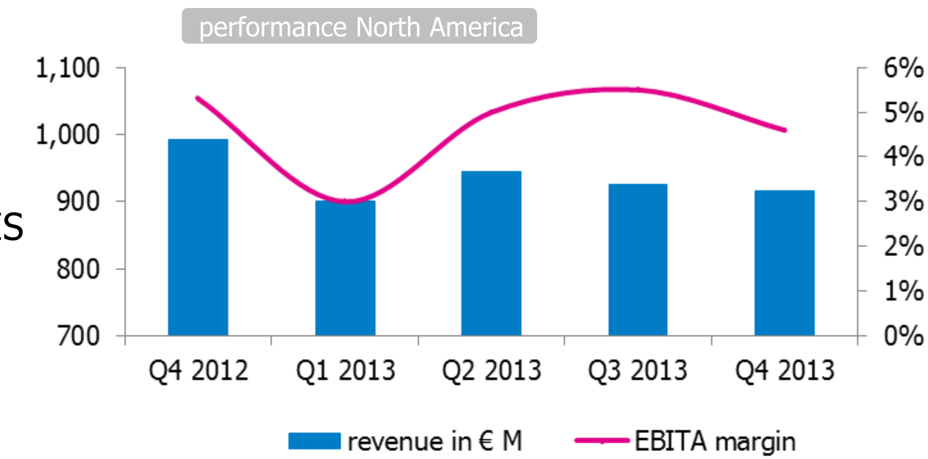
Q4 2013: gradual recovery in Europe



- growth in Germany, Belgium, Iberia, UK, Italy, Switzerland, Poland
- gradual improvement and focus on profitability in North America
- continued growth in Japan and emerging markets
- from +1.3% in October to +2.9% in December, and +3.2% in January

North America: reinvesting in growth

- continued improvement gross margin
  - revenue -/-2% (Q3: -/-3%)
  - strong negative impact from FX



- US staffing & inhouse, GP up 1%
  - revenue trend improving
  - strong perm (+32%) and good performance RIS
  - record profitability, Q4 and full year

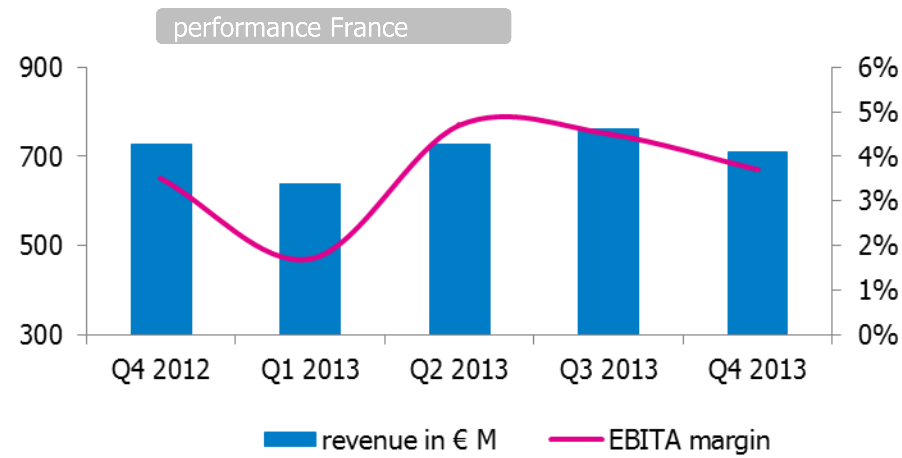
- US professionals, GP down by 3%
  - revenue at -/-1% for the quarter
  - growth returned in IT, but finance still weak
  - perm up by 1% (+5% in Q3)

- Sourceright
  - good performance in RPO, lower revenue in payroll services

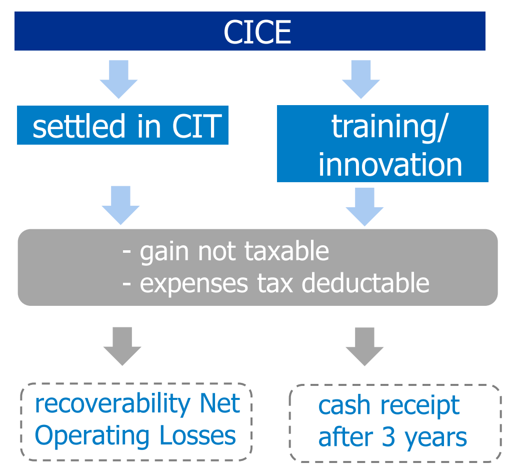
- EBITA margin to 4.6% vs. 5.3% LY
  - increased marketing, FTE investments and other personnel costs

France: gradual improvement

- revenue down 2% (Q3: -/- 6%)
  - improving trend through the quarter
  - solid growth at inhouse
  - Professionals rather stable at -11% YoY



- gross profit up 10% YoY
  - GM up 180 bps due to impact CICE
- costs up 11% YoY
  - FTEs down by 4% sequentially
  - bonus costs and additional marketing
  - reorganization program:
    - voluntary leave program completed
    - merging branches on track; completion in Q2 2014

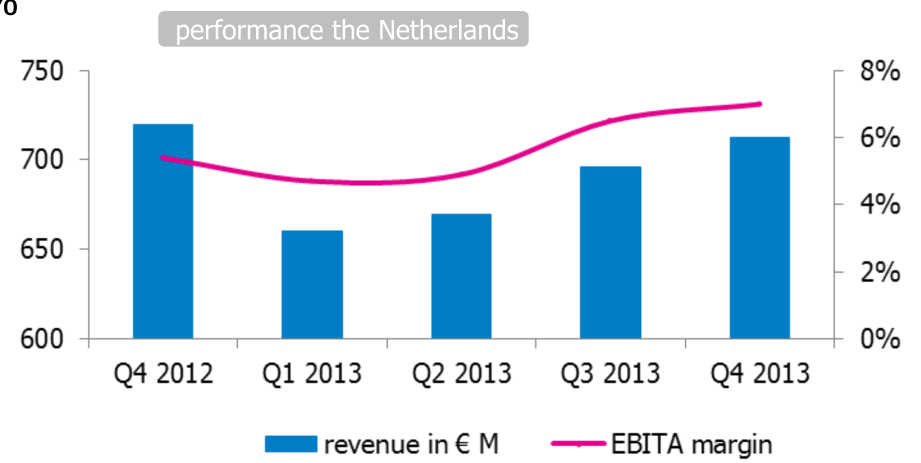


- EBITA margin up to 3.7% (vs. 3.5% LY)
  - adjusted for release of € 1.5M for lower severance costs

the Netherlands: good profitability

incremental conversion ratio of 179%

- revenue at 0% (Q3: -/-4%)
  - focus on client profitability and delivery models
  - RNL at +3% (Q3: -/-1%), Tempo-Team to -/-5%
  - Yacht improved to -/-2%, strong profitability
- gross margin improving
  - higher social security charges (as from Q4 '12)
  - initiatives taking effect
- costs down 5% compared to LY
  - higher marketing costs
- EBITA margin 7.0% vs. 5.4% LY
  - strong profitability professionals
  - improved business mix: growth HRS & inhouse
  - adjusted for € 1.1M relating to small divestments and € 1.2M restructuring at Yacht



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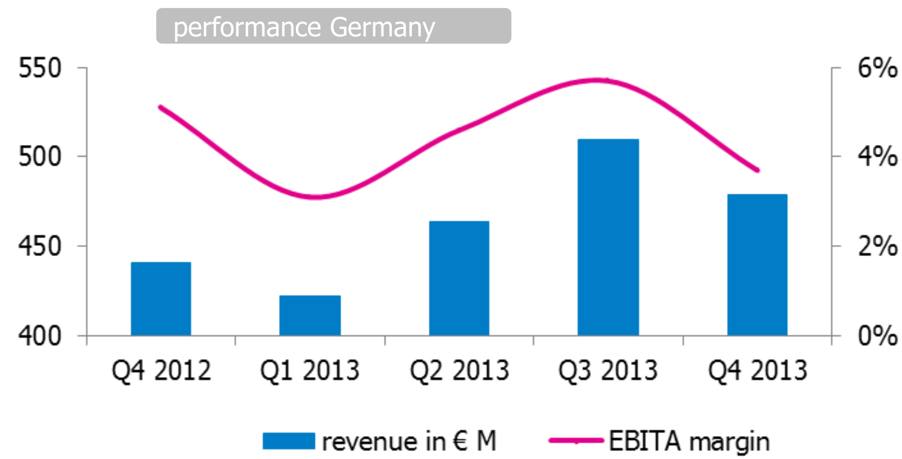
Germany: strengthening growth

- revenue at +9% (Q3: +4%)
  - significant price effect (+7%), but smaller vs. Q3
  - good growth in IT and inhouse
  - new CLA implemented in November 2013

- gross margin impacted by CLA change
  - higher wages
  - change calculation method holiday and sick pay
  - price increases to offset impact

- operating expenses up 10% YoY
  - marketing investments
  - FTEs flat vs. LY

- EBITA margin to 3.7% vs. 5.1% LY
  - YoY gap due to CLA change and higher marketing



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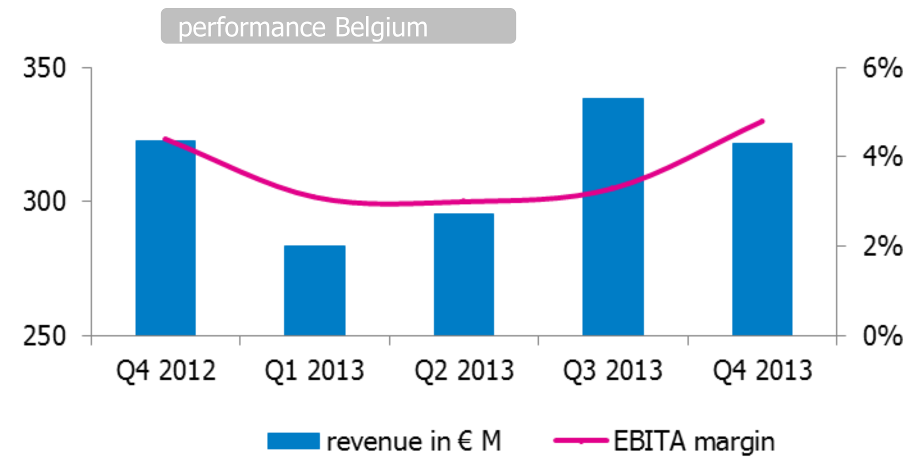
Belgium: back to growth

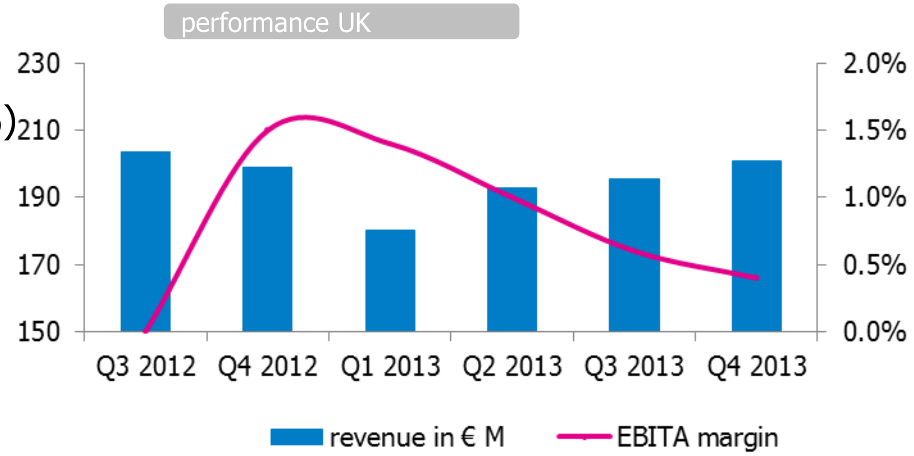
recovery ratio of 139%

- revenue +1% (Q3: -/-6%)
  - stable trend throughout the quarter
  - improving trend in administrative segment
  - inhouse at -/-14% (Q3: -/- 17%)
  - growth in professionals due to strong perm
- focus on profitability
  - client profitability
  - field steering
    - FTEs down by 9% YoY
  - restructuring program:
    - implementation completed in December
    - 130 jobs in management and support
    - expected annual cost savings of € 16.0M
- EBITA margin at 4.8% vs. 4.4% LY
  - 1 working day less vs. LY
  - adjusted for restructuring costs of € 24M



UK: continued growth

- revenue +7% (Q3: + 5%)
  - revenue strongly impacted by negative FX
  - continued growth in professionals (+11%)
    - led by education, construction and finance
  - trend at inhouse impoved to -/-3% (Q3: -/-14%)
  - good growth in MSP and RPO
  - perm fees grew by 2% (Q3: -/- 2%)

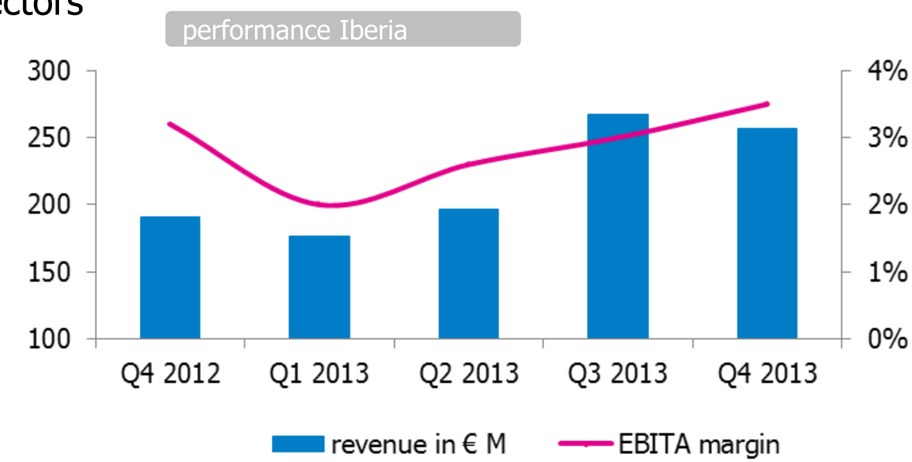


- improved productivity
  - FTEs down 9% YoY
  - GP/FTE up by 12%

- EBITA margin 0.4% vs. 1.5% LY
  - marketing boost plan
  - favorable payroll-related items in Q4 2012

Iberia: strong conversion

- Spain
  - revenue to +2% (Q3: 0%)
  - growth driven by logistics and manufacturing sectors
  - lower volumes automotive, harbor
  - solid growth in Professionals (mainly perm) and HRS
  - completion of integration expected in H1 2014



- Portugal
  - revenue improved to +8% (Q3: +4%)
  - good performance in call centers
  - continued growth in manufacturing and automotive

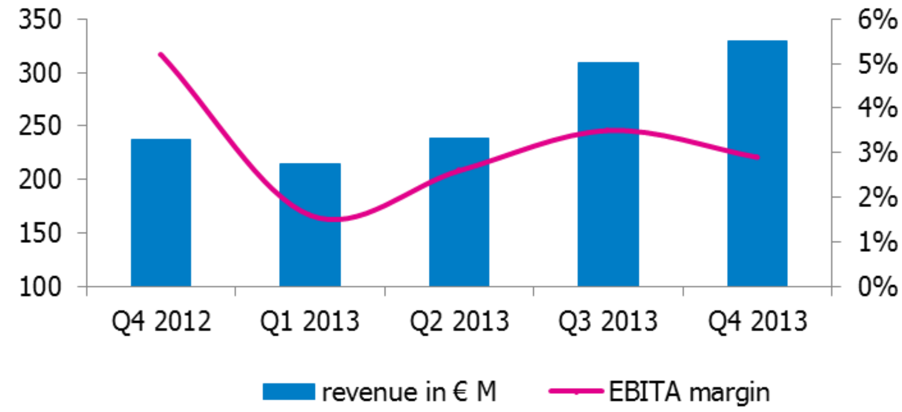
- strong cost control maintained

- EBITA margin at 3.5% vs. 3.2% LY
  - improved mix and focus on client profitability
  - synergies of € 0.9 M

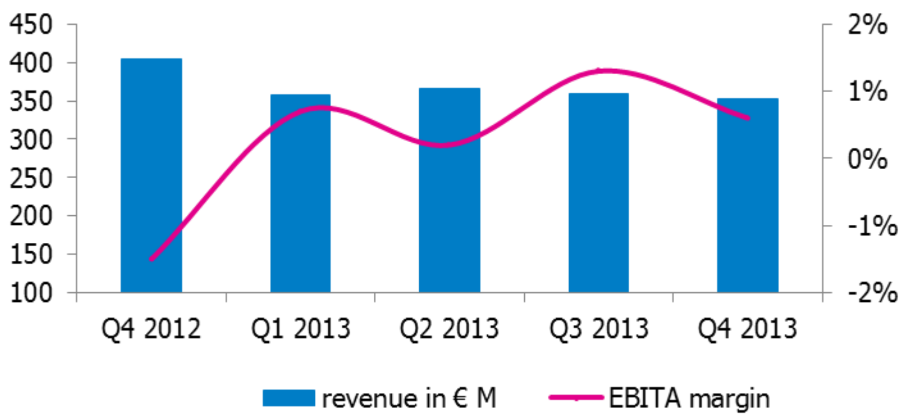
other regions

- Italy up by 7% YoY
  - growth driven by industrial segment
  - investing in growth
  - realizing synergies in H1 2014
- Switzerland
  - growth continued at +2%
  - accelerated demand at inhouse
- Japan grew by 4% YoY
  - strong growth in logistics and retail
  - strong operating leverage
- Australia
  - revenue further strengthened, mainly temp
  - professionals still challenging
- Asia and Latin America
  - investing in growth

performance RoE



performance RoW



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revenue development per industry

Segments	USA	Germany	France	Netherlands
Manufacturing	-	+	o	+
Automotive	++	++	++	++
Food	-	-	o	-
Transport	++	+	--	+
Business services	-	+	-	-
Financial services	--	--	++	-
IT services	--	-	o	o
Public sector	--	o	-	++
Health & social work	+	-	-	--

financial results & outlook

income statement Q4 2013

€ million	Q4 2013	Q4 2012	% change	% organic
revenue	4,278	4,234	*+1%*	*+2%*
gross profit	785	772	*+2%*	*+4%*
gross margin	*18.4%*	*18.2%*		
operating expenses*	628	616	*+2%*	*+4%*
opex as % of revenue	*14.7%*	*14.5%*		
EBITA*	**157**	**156**	***+1%***	***+3%***
*EBITA margin**	*3.7%*	*3.7%*		
integration costs & one-offs	37	54		
reported EBITA	**120**	**102**		
amortization & impairment	-/- 36	-/- 181		
net finance income/(costs)	-/- 4	-/-6		
income before taxes	**80**	**-/-85**		
tax	-/- 26	-/-13		
net income	**54**	**-/-97**		
*adjusted net income***	*105*	*104*		
*diluted EPS****	*0.58*	*0.60*		

* before integration costs and one-offs
** attributable to holders of ordinary shares
*** before amortization and impairment acquisition-related intangible assets and goodwill, badwill, integration costs and one-offs

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Q4 2013: financial key points

- free cash flow amounted to € 22M vs. € 369M LY
  - impacted by payment to Dutch tax authority of € 131M
  - increased working capital requirements due to growth vs. decline LY
  - Q3 2013 strong quarter due to favorable timing quarter-end
  - payment of provisions
- leverage ratio stable at 1.2
- effective tax rate* amounted to 32% (FY 2012: 32%)
  - geographic mix, with high profits in countries with above average tax rates
  - guidance full year 2014: 28-31%
- diluted EPS* to € 0.58 vs. € 0.60 in Q4 2012
  - dilutive effect from stock dividend and options
- proposed dividend payment on ordinary shares of € 0.95
  - payout ratio of 45%
  - shares or cash, default is cash

* before amortization and impairment of acquisition-related intangible assets and goodwill, badwill, integration costs & one-offs

segment performance, focus on delivery models

Staffing in € M	**Q4 2013**	**Q4 2012**	***% organic****
revenue	2,578.2	2,607.5	-2
EBITA	100.3	103.0	2
EBITA margin	*3.9%*	*4.0%*	

- focus on revenue quality in North America
- gradual improving trend across Europe
- profitable growth in HRS (Q4 revenue: € 285M)
- marketing investments

Inhouse in € M	**Q4 2013**	**Q4 2012**	***% organic****
revenue	878.4	780.8	15
EBITA	43.7	38.9	5
EBITA margin	*5.0%*	*5.0%*	

- growth led by France, Germany, NL, Iberia and North America
- UK remains in decline, focus on client profitability
- continued growth in RoE & RoW
- positive impact CICE subsidies

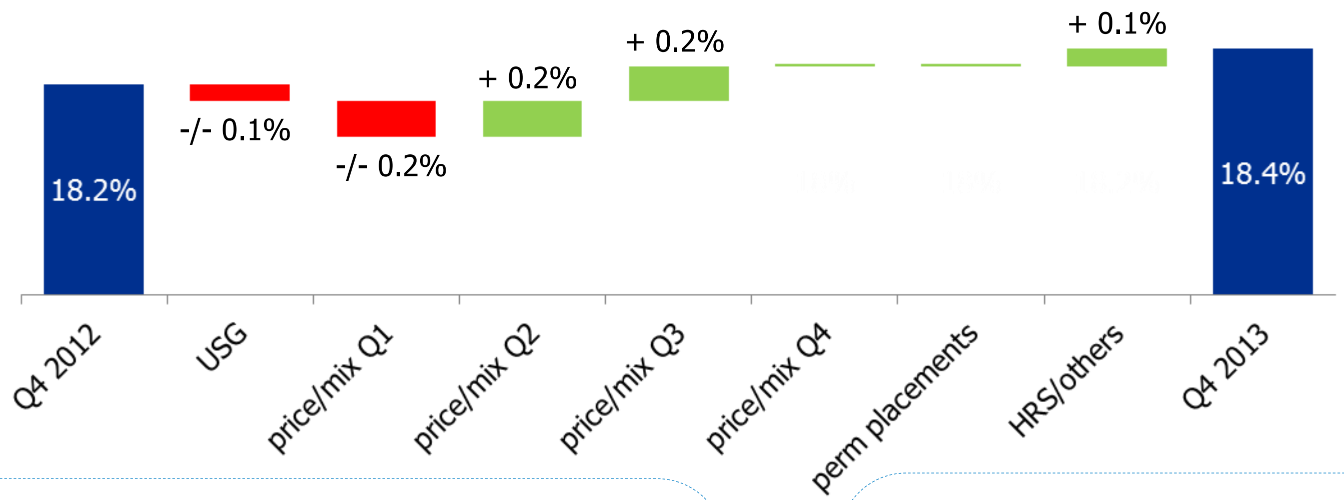
Professionals in € M	**Q4 2013**	**Q4 2012**	***% organic****
revenue	821.3	846.2	2
EBITA	28.2	26.5	7
EBITA margin	*3.4%*	*3.1%*	

- improving trend North America
- good growth in UK, mainly in education, construction and finance
- growth in RoW, Australia challenging
- improving trend in perm

* revenue is per working day

gross margin bridge

YoY gross margin development



- margin expansion North America and RoW
- CICE benefits in France
- legislative changes NL & Germany

- perm fees were 7.8% of GP (vs. 7.9% LY)
  - organic growth of 6% YoY
  - negative impact FX
- continued focus on client profitability

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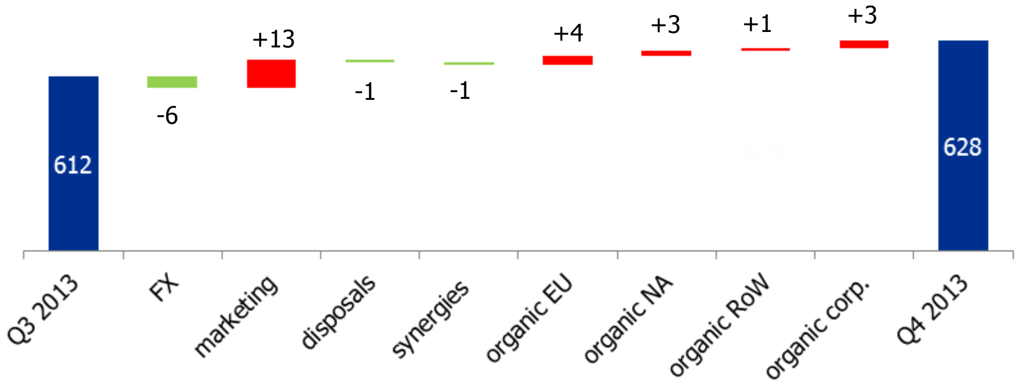
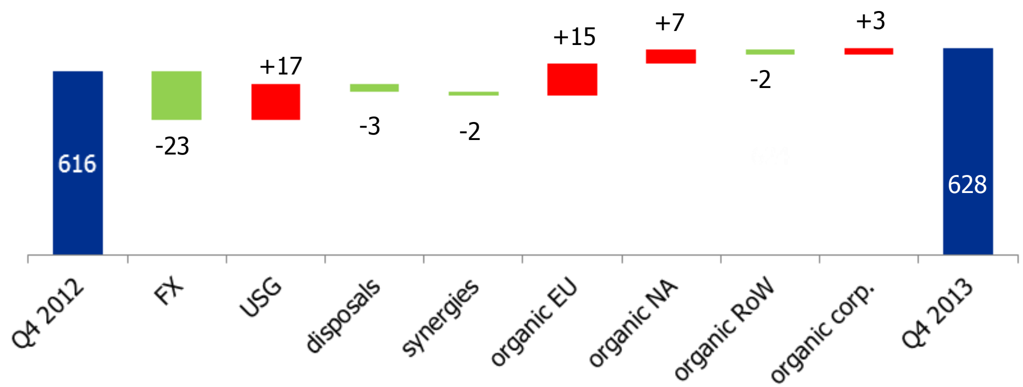
operating expenses bridge

sequential OPEX development in € M



- additional marketing and bonus costs
- significant FX impact
- corporate costs up due to Dutch crisis tax

YoY OPEX development in € M



- significant FX impact
- USG added € 17M
- synergies from USG moved to € 2M
- marketing investments, mainly in Europe and US

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FY 2013: financial key points

- gradual recovery since Q2 2013, mainly across most European countries
- acquisition of activities from USG in 6 European countries
- productivity (GP/FTE) up 2% YoY
- strong recovery ratio in 2013 of 118%
- underlying EBITA up 3%:
  - strong cost control
  - investments marketing
  - focus on client profitability
  - investments in growth in Latin America and Asia
- underlying diluted EPS to € 2.07 per ordinary share
- moving average DSO stable at 52 days in Q4 2013

income statement FY 2013

€ million	FY 2013	FY 2012	% organic
revenue	16,568	17,087	-/-1%
gross profit	3,012	3,102	-/-1%
gross margin	*18.2%*	*18.2%*	
operating expenses*	2,433	2,539	-/-2%
opex as % of revenue	*14.7%*	*14.9%*	
underlying EBITA	**579**	**563**	***+5%***
underlying EBITA margin	*3.5%*	*3.3%*	
one-offs	-/- 49	-/- 99	
reported EBITA	**530**	**464**	
amortization, impairment & badwill	-/- 163	-/- 336	
net finance costs	-/- 23	-/- 18	
income before taxes	**344**	**110**	
tax	-/-113	-/-73	
net income	**231**	**37**	
*adjusted net income***	*368*	*366*	
underlying diluted EPS	*2.07*	*2.11*	*-/-2%*

* before amortization/impairment acquisition-related intangible assets and goodwill, and badwill & one-offs

** attributable to holders of ordinary shares

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net debt down by € 335M

leverage ratio at 1.2 and improved working capital management

€ million	December 31, 2013	December 31, 2012
goodwill and intangible assets	2,665	2,943
operating working capital	457	528
net tax assets	497	340
other assets and liabilities	50	10
invested capital	**3,669**	**3,821**
equity	2,908	2,725
net debt	761	1,096
invested capital	**3,669**	**3,821**
DSO, Days Sales Outstanding	*52*	*52*
working capital as % of revenue	*2.8%*	*3.1%*
leverage ratio	*1.2*	*1.7*
*return on invested capital**	*12.6%*	*11.1%*

* based on underlying EBITA less income taxes paid (2013: adjusted for € 131M payment to Dutch tax authority)

free cash flow to € 293M

mainly reflecting payment to Dutch tax authority and payment of restructuring provisions

€ million	**2013**	**2012**
EBITDA	598	548
release of OWC	78	84
income taxes paid	-/- 246	-/- 140
provisions	-/- 51	17
net additions in PPE and software	-/- 45	-/- 61
other items	-/- 38	20
financial receivables	-/-3	-/-1
free cash flow	**293**	**467**

€ million	**2013**
free cash flow	**293**
net acquisitions/disposals/buyouts	-/-11
net issue/purchase of ordinary shares	-/-2
issue of preference shares	138
net finance costs paid	-/- 19
dividend paid	-/-91
translation effects & other items	27
net debt decrease 2012 –> 2013	**335**

dividend policy 2013

- dividend policy as from 2013:
  - policy in line with strategic targets
  - payout range of 40-50% of adjusted EPS
  - 40%, unless financial position allows for a higher payout-%
  - optional dividend:
    - leverage ratio < 2.0x: optional dividend
    - leverage ratio < 2.5x: optional dividend with premium on stock dividend
    - leverage ratio > 2.5x: stock dividend

- proposed dividend payment over 2013:
  - payment of € 0.95 per ordinary share
  - payout of 45% of adjusted net profit, reflecting strong financial position
  - choice between cash and shares, default cash

outlook Q1

- organic revenue/wd in January at +3.2% vs. +2.9% in December
  - gradual improvement throughout Q4 2013
  - significant FX impact

- challenging weather conditions in US in Jan/Feb

- comparison base 2% tougher into Q1 2014 (Jan 2013: -/-5%, March 2013: -/- 3%)

- same number of working days as last year

- seasonally lower gross margin in Q1 vs. Q4

- cost base will move down sequentially by at least € 15M:
  - lower marketing and bonus costs
  - minimal impact wage inflation
  - cost savings from restructuring Belgium
  - synergies relating to USG gradually materializing in H1 2014

growth drivers & strategy

our strategy

randstad core values: to know, serve and trust, striving for perfection and the simultaneous promotion of all interests

building blocks

- strong concepts
- best people
- excellent execution
- superior brands

all stakeholders

optimal workforces for clients	the best jobs for candidates
expertise for a better society	the employer of choice for our employees

sustainability basics

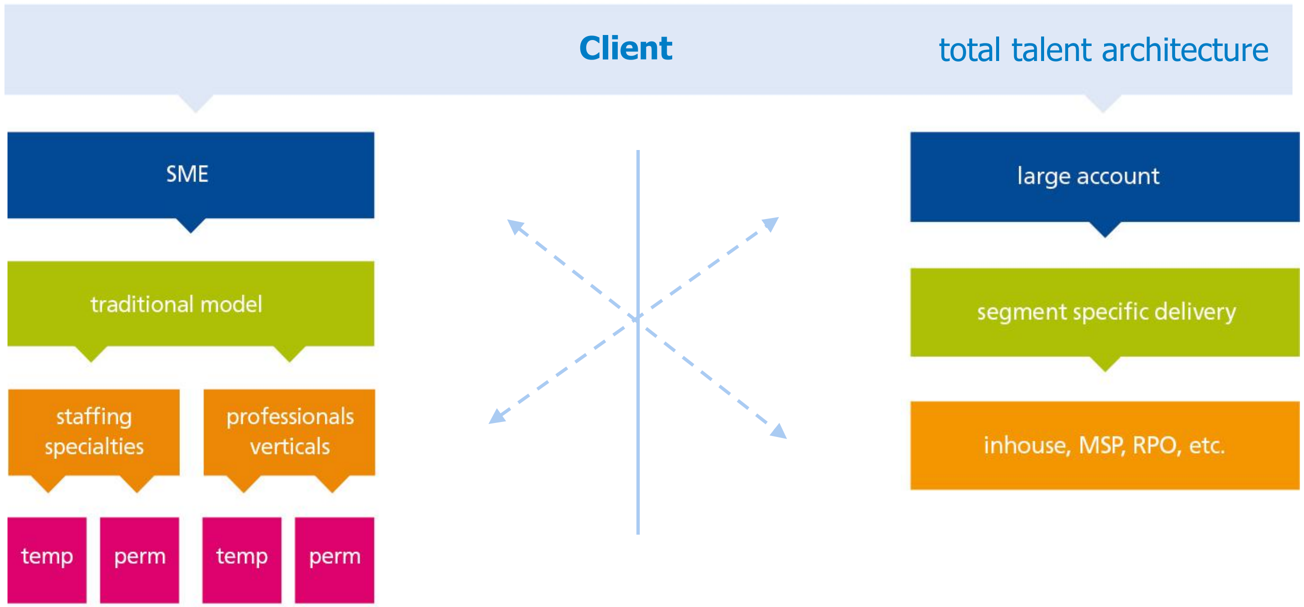
growth drivers

- need for flexibility
- demographics
- deregulation
- clients looking for a total offering

targets

- EBITA margin of 5% to 6% over time, through revenue growth and mix improvement
- continuous profitable market share gains
- sound financial position with leverage ratio of between 0 and 2

our priorities



Staffing
- leverage our expertise in specialty staffing
- focus on permanent placements
- SME

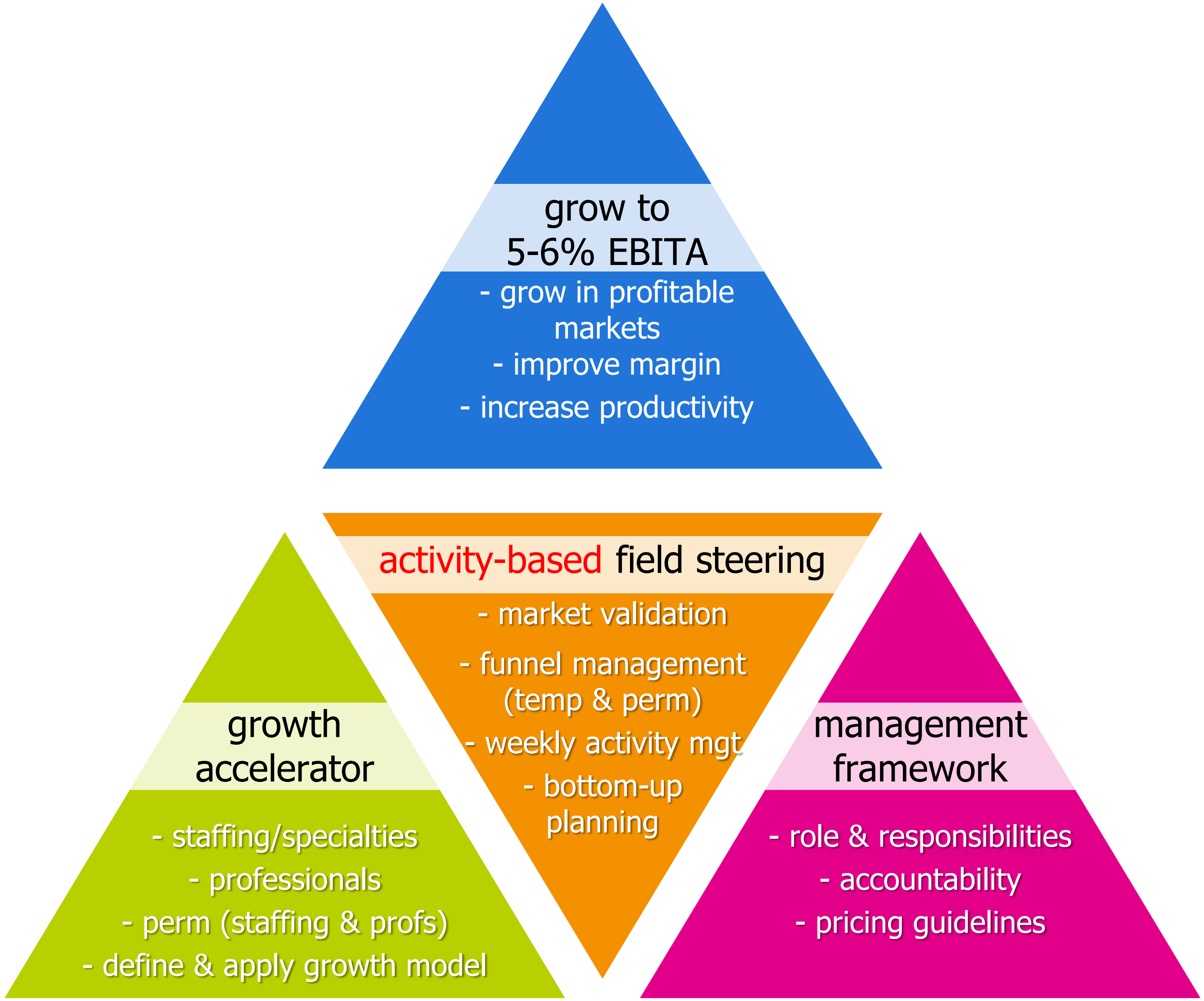
Professionals
- implementing global concept per segment
- focus on permanent placements
- SME

Inhouse
- expand in white-collar and professionals
- increase share of wallet

HRS
- grow in MSP and RPO
- support TTA approach:
  - payrolling
  - outplacement
  - outsourcing

setting the ambition

profitable organic growth through **activity-based** field steering



integrated approach of line management & all functional disciplines

portfolio change EB

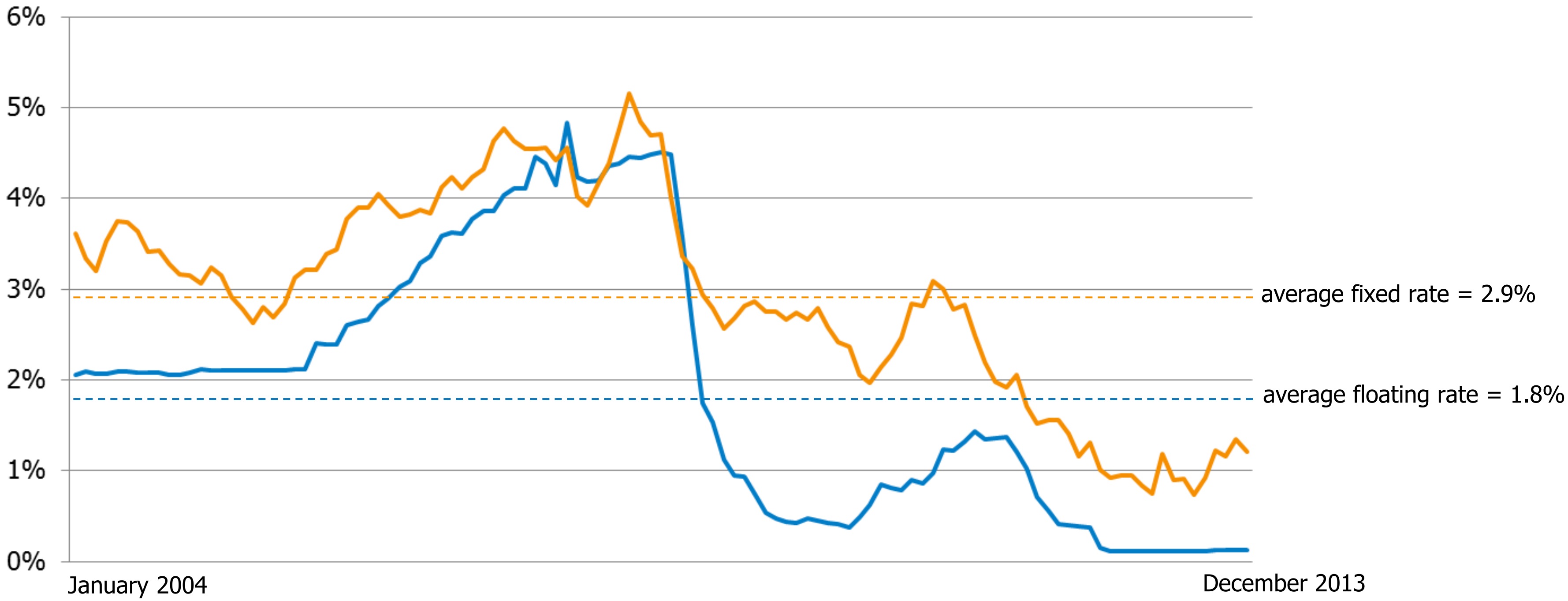
Executive Board member	Country Responsibility	Functional Areas
Jacques van den Broek, chairman & CEO	Germany, UK, Australia, New Zealand, China, Hong Kong, Singapore & Malaysia	Business Concept Development; Global Client Solutions; HR; Marketing & Communications; Public Affairs; Inhouse concept
Robert Jan van de Kraats, vice-chairman & CFO	Japan, India	Control, Strategy & M&A; Finance & Accounting; Legal; Tax; Treasury; Business Risk & Audit; IT, Investor Relations; Shared Service Centers NL
Leo Lindelauf	Italy, Poland, Austria, Switzerland, Denmark, Sweden, Norway, Czech Republic, Hungary, Slovakia, Greece, Turkey	
Chris Heutink	The Netherlands (Randstad, Tempo-Team & Yacht)	Strategic Sourcing; Randstad Groep Nederland (social & legal affairs)
Linda Galipeau	USA, Canada, Mexico	Professionals concept; Innovation
François Béharel	Belgium & Luxembourg, France, Spain, Portugal, Brazil, Argentina, Chile, Uruguay	Staffing concept

Q&A

appendices

financing: fixed vs. floating interest rates

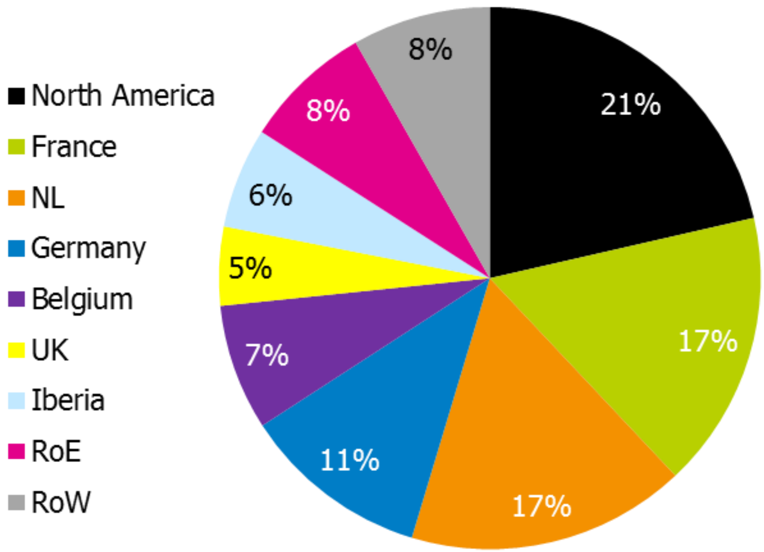
10 year historic interest rates comparison 1M vs. 5Y



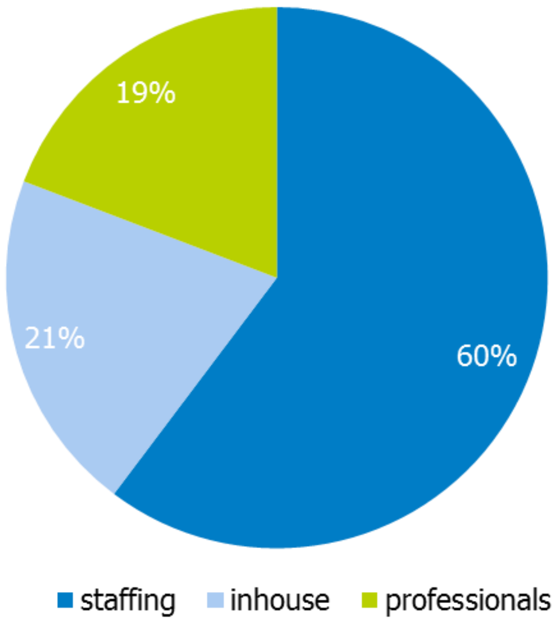
- we use floating interest rates as a natural hedge
  - spread above Euribor of 50-115 bps

revenue split Q4 2013

geographical area



revenue categories



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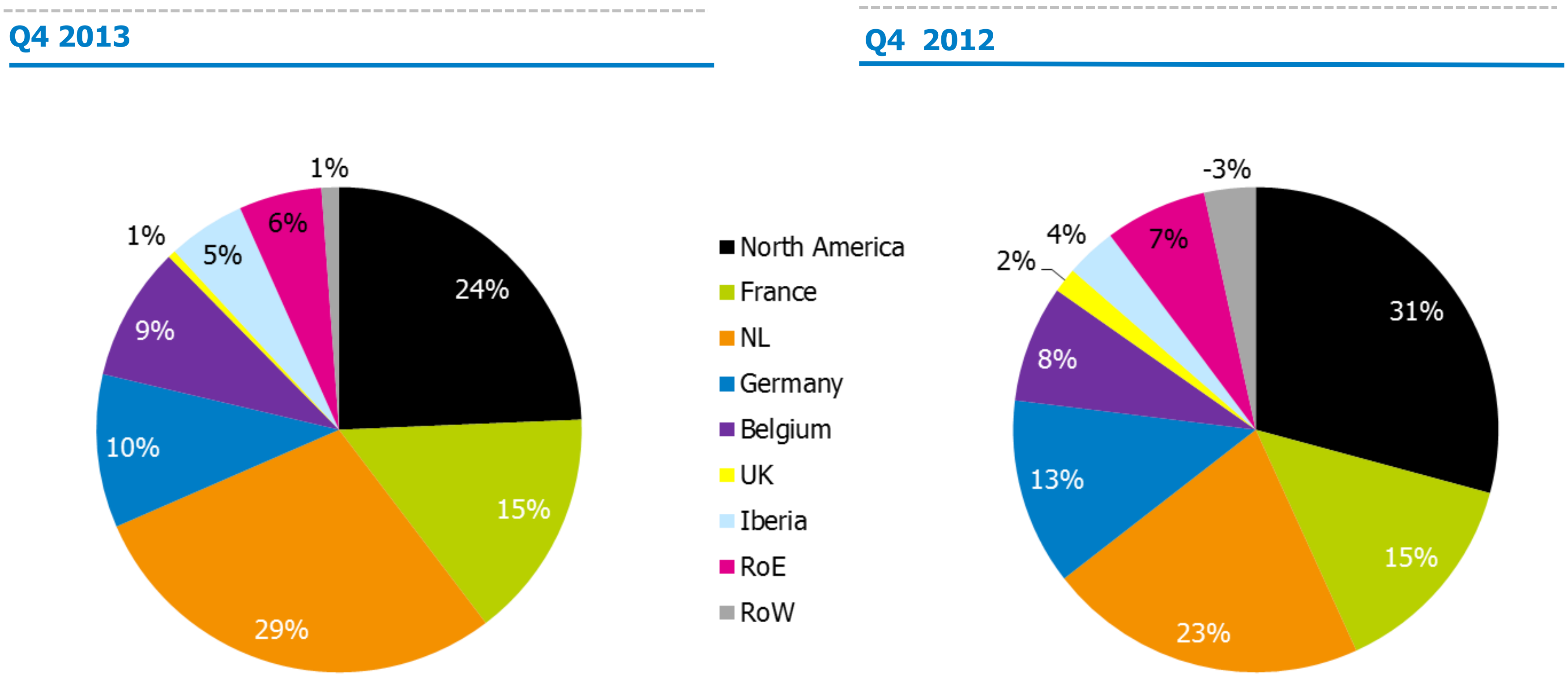
EBITA breakdown by geography



outlets* by region

end of period	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
North America	1,055	1,067	1,060	1,053	1,041
France	791	849	863	866	868
the Netherlands	672	662	679	688	634
Germany	557	553	547	539	558
Belgium/Lux	307	319	321	320	344
United Kingdom	147	155	155	160	203
Iberia	405	416	252	253	266
Rest of Europe	435	428	338	338	341
Rest of World	218	223	225	232	241
total	**4,587**	**4,672**	**4,440**	**4,449**	**4,496**

* branches and inhouse locations

corporate employees by region

average	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
North America	6,320	6,260	6,230	6,160	6,300
France	3,480	3,630	3,620	3,630	3,740
the Netherlands	4,260	4,300	4,270	4,360	4,560
Germany	2,620	2,520	2,480	2,500	2,610
Belgium/Lux	1,800	1,840	1,770	1,890	1,980
United Kingdom	1,530	1,490	1,500	1,550	1,680
Iberia	1,530	1,570	1,230	1,240	1,280
Rest of Europe	2,260	2,240	1,750	1,730	1,740
Rest of World	4,530	4,440	4,390	4,430	4,480
Corporate	180	180	180	180	190
total	**28,510**	**28,470**	**27,420**	**27,670**	**28,560**

staffing employees by region

average	Q4 2013	Q4 2012
North America	105,600	108,300
France	73,300	76,100
the Netherlands	82,600	87,000
Germany	47,700	47,100
Belgium/Lux	40,900	41,000
United Kingdom	18,500	19,400
Iberia	53,900	44,500
Rest of Europe	52,100	37,400
Rest of World	114,200	116,400
total	**588,800**	**577,200**